



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

August 8, 2008

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To: Supervisor Yvonne B. Burke, Chair
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Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

MOTION TO OPPOSE EFFORTS BY THE STATE LEGISLATURE AND THE GOVERNOR TO DIVERT OR REPROGRAM "FIRST 5 DOLLAR" FUNDS TO ADDRESS THE STATE BUDGET CRISIS (ITEM NO. 16 - AGENDA OF AUGUST 12, 2008)

Item No. 16 on the August 12, 2008 Board Agenda is a motion by Supervisor Knabe recommending that the Board of Supervisors direct the County's Sacramento advocates to oppose proposals by the State Legislature and the Governor to divert or reprogram First 5 funds and to send letters to the Governor and the Los Angeles County Legislative Delegation expressing the Board's opposition to such efforts.

In November 1998, voters approved Proposition 10, the California Children and Families Act which increased taxes on tobacco products to fund programs to improve the health and development of children from birth to five years of age. Proposition 10 tobacco tax revenues generate over \$500 million annually for these services. Proposition 10 also established the California and county Children and Families Commissions, known as First 5 Commissions, to administer these programs. The California First 5 Commission receives 20 percent of Proposition 10 revenues; county First 5 Commissions receive 80 percent of the revenues. The First 5 Commissions are required to provide services in three areas: 1) child health; 2) child development; and 3) support for family functioning. County First 5 Commissions have authority to develop initiatives and prioritize funding to meet the needs of families and young children which may include establishing preschools and funding health care services.

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In Los Angeles County, First 5 LA funds services specifically designed to meet the needs of the County's families and youngest children. These services include: prenatal care, health and nutrition programs, school readiness, developmental screenings and assessments, parental education and support, and workforce development. These programs were funded at an estimated \$225.7 million in FY 2007-08.

Some members of the Legislature have proposed eliminating First 5 Commissions as a solution to address the State's \$15.2 billion budget shortfall. Proponents contend that up to \$2.4 billion in unencumbered Proposition 10 revenues could be used to expand the Healthy Families and Medi-Cal programs thus freeing up State General Funds to close the budget shortfall.

Although the County's Health and Human Services Departments do not receive any Proposition 10 funding, the families and children served by these departments directly benefit from First 5 LA programs and would be negatively impacted if these programs are eliminated.

To date, your Board has opposed three bills which would have eliminated the allocation of Proposition 10 revenues to First 5 Commissions; SB 893 (Cox) of 2007, SBx1 5 (Cox) of 2007 and SBx3 16 (Cox) of 2008. In addition, as instructed by your Board on April 10, 2007, the Executive Office sent a five-signature Board letter to the Governor, Assembly Speaker, Senate President Pro Tempore, Senator Sheila Kuehl, Chair of the Senate Health Committee and the Los Angeles County Legislative Delegation expressing the Board's opposition to SB 893. That bill failed passage in the Senate Health Committee on April 25, 2007 by a vote of 4 to 6. SBx1 5 failed passage in the same committee on January 16, 2008 by a vote of 3 to 5. SBx3 16 has not been scheduled for a hearing. Therefore, **opposition to efforts to divert or reprogram First 5 funds is consistent with Board-approved policy to oppose legislation which would shift Proposition 10 revenue from all County First 5 Commissions, including First 5 LA, undermine local decision-making, and take Proposition 10 revenues away from families and young children.**

WTF:GK
MAL:VE:mp

c: Executive Officer, Board of Supervisors
County Counsel
Department of Health Services